



FY 2008-2009

**4th Quarter and Preliminary Year-End
Financial Report**
(Quarter Ending 06/30/2009)

September 10, 2009

Budget & Management Services and Finance



General Fund



Summary Results

- **Revenue shortfall** in sales and occupancy taxes, and other development related charges.
- Shortfalls were offset by **budget reductions**.
- All departments projected to be **within budget**.
- Appropriation from **Fund Balance** projected to be \$2.1M less than budgeted.
- **Expenditures** projected to be **under budget by \$10.4M**.



GENERAL FUND MAJOR REVENUE COMPARISONS

Q4 YTD Actuals

4 th Quarter FY08		4 th Quarter FY09	
Property Taxes	\$108.5 m	Property Taxes	\$119.0m
Utility Taxes	\$11.6m	Utility Taxes	\$12.4m
Licenses	\$2.4m	Licenses	\$2.9m
Sales Taxes	\$38.7m	Sales Taxes	\$33.7m
Permits	\$4.4m	Permits	\$2.9m
Occupancy Tax	\$1.9m	Occupancy Tax	\$1.6m
Powell Bill	\$6.7m	Powell Bill	\$6.1m
Charges for Services	\$9.8m	Charges for Services	\$7.9m
Investment & Rental	\$2.0m	Investment & Rental	\$1.5m
TOTAL:	\$186.0 million		\$188.0 million

Property Tax Levy Comparison



Year	Total Billed	Actual Collections	% Collected
2008 (FY2009)	\$120,090,239	\$118,188,013	98.42%
2007 (FY2008)	\$108,850,352	\$107,058,966	98.35%
Budgeted Collection Rate for 2009 Levy 98%.			



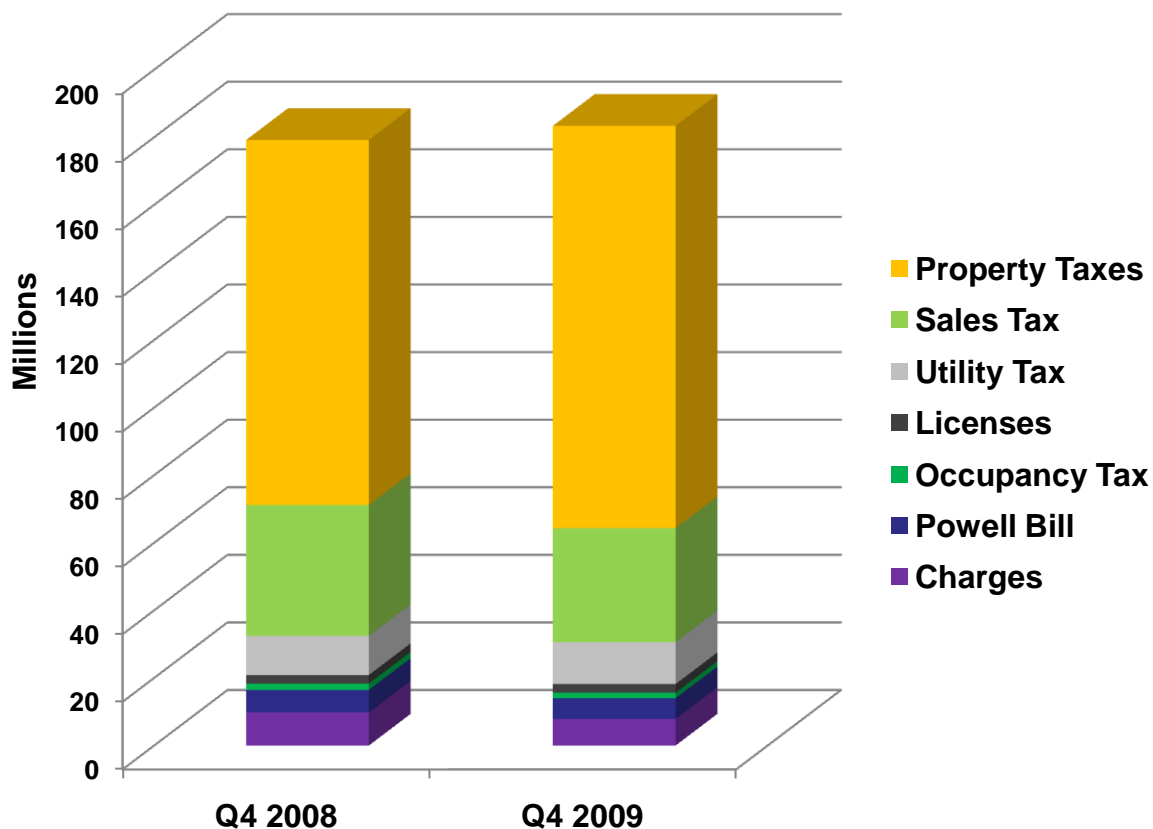
Sales Tax Collections

- 3rd Qtr Projection \$37.9M vs. Actual \$33.7M.
- April sales tax payment significantly less due to State's withholding of refunds.
- Refunds 3X as much as same period in 2008.



Revenue Summary – 4th Quarter

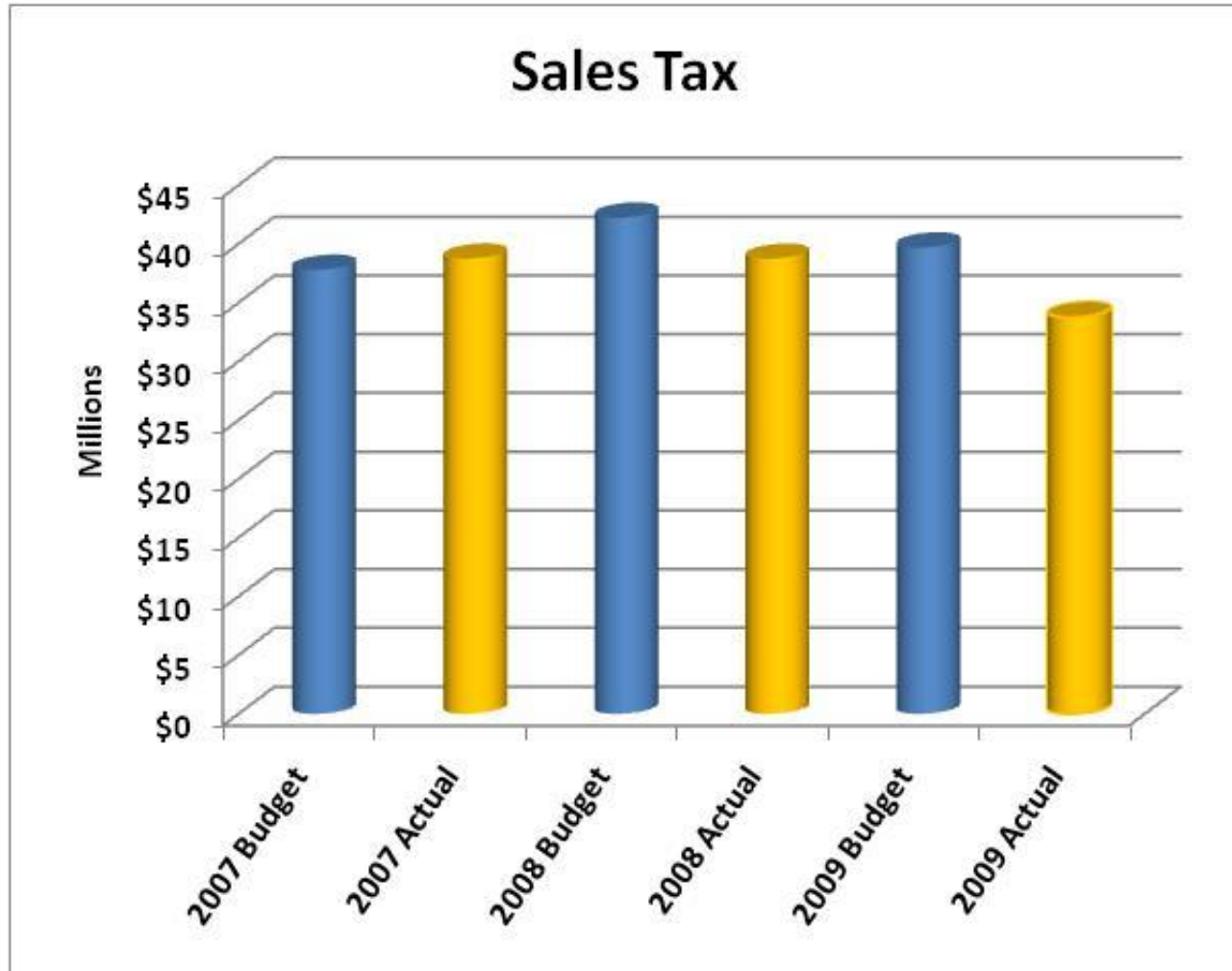
Major Revenues



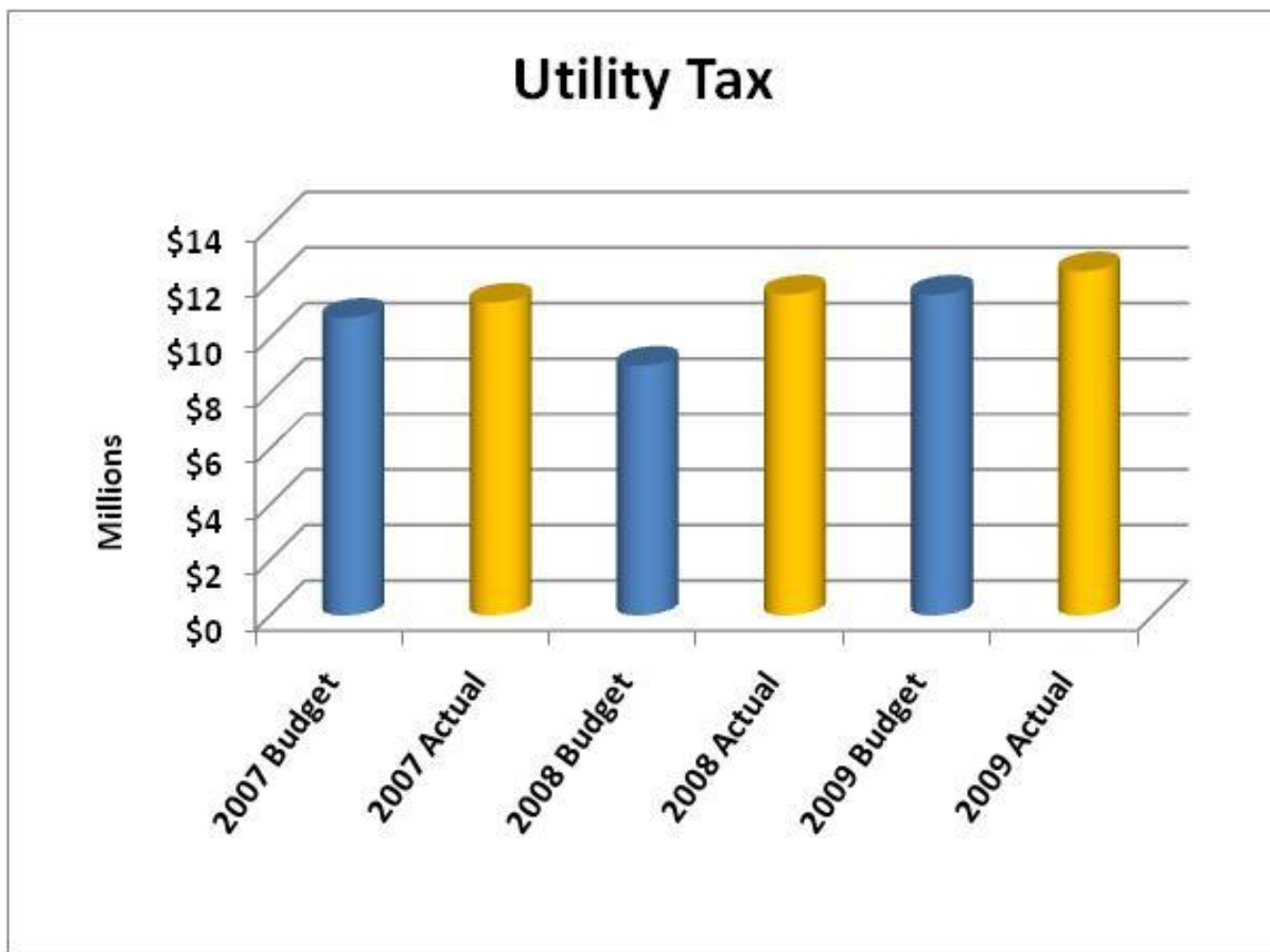
Revenue Summary – Multi-Year



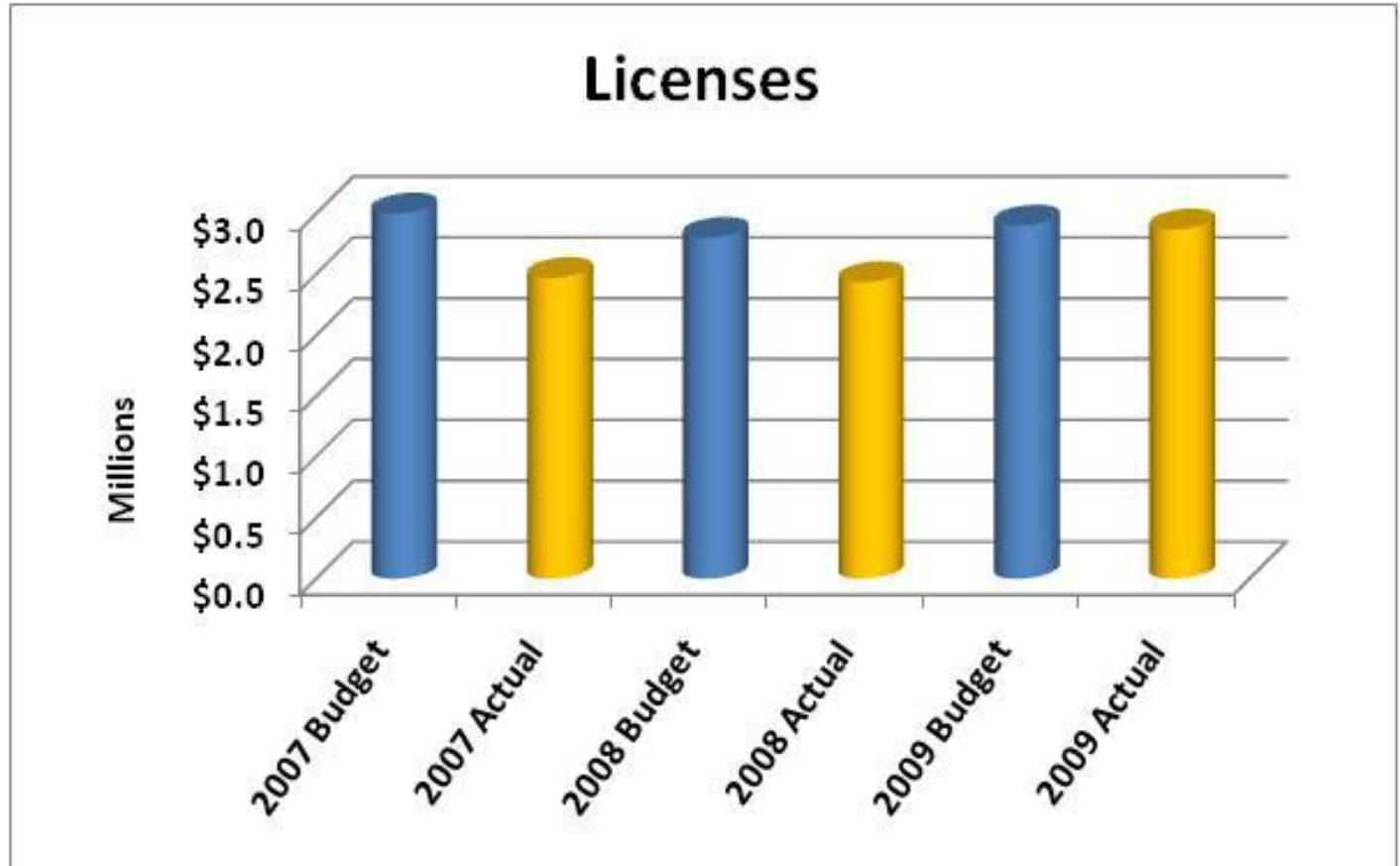
Revenue Summary – Multi-Year



Revenue Summary – Multi-Year



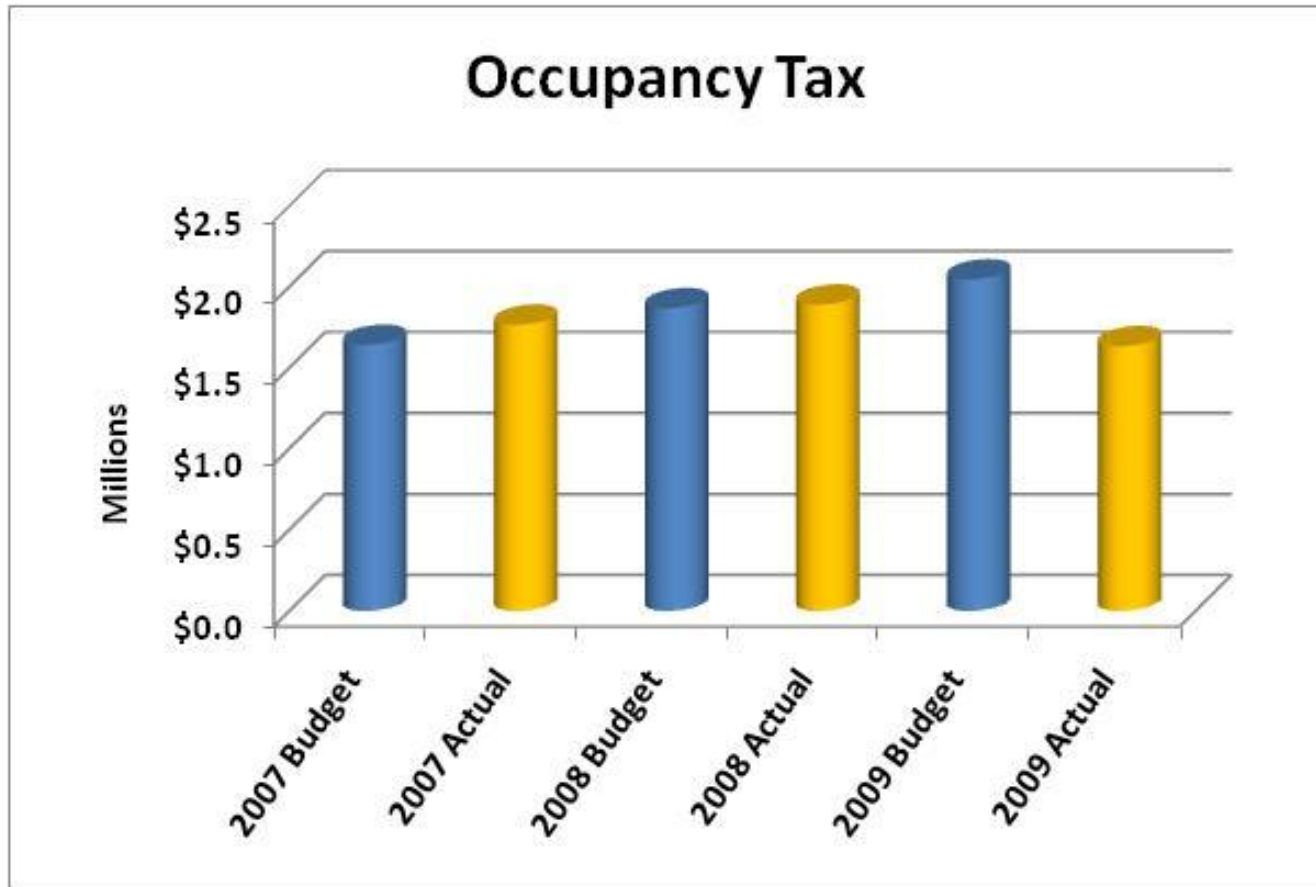
Revenue Summary – Multi-Year



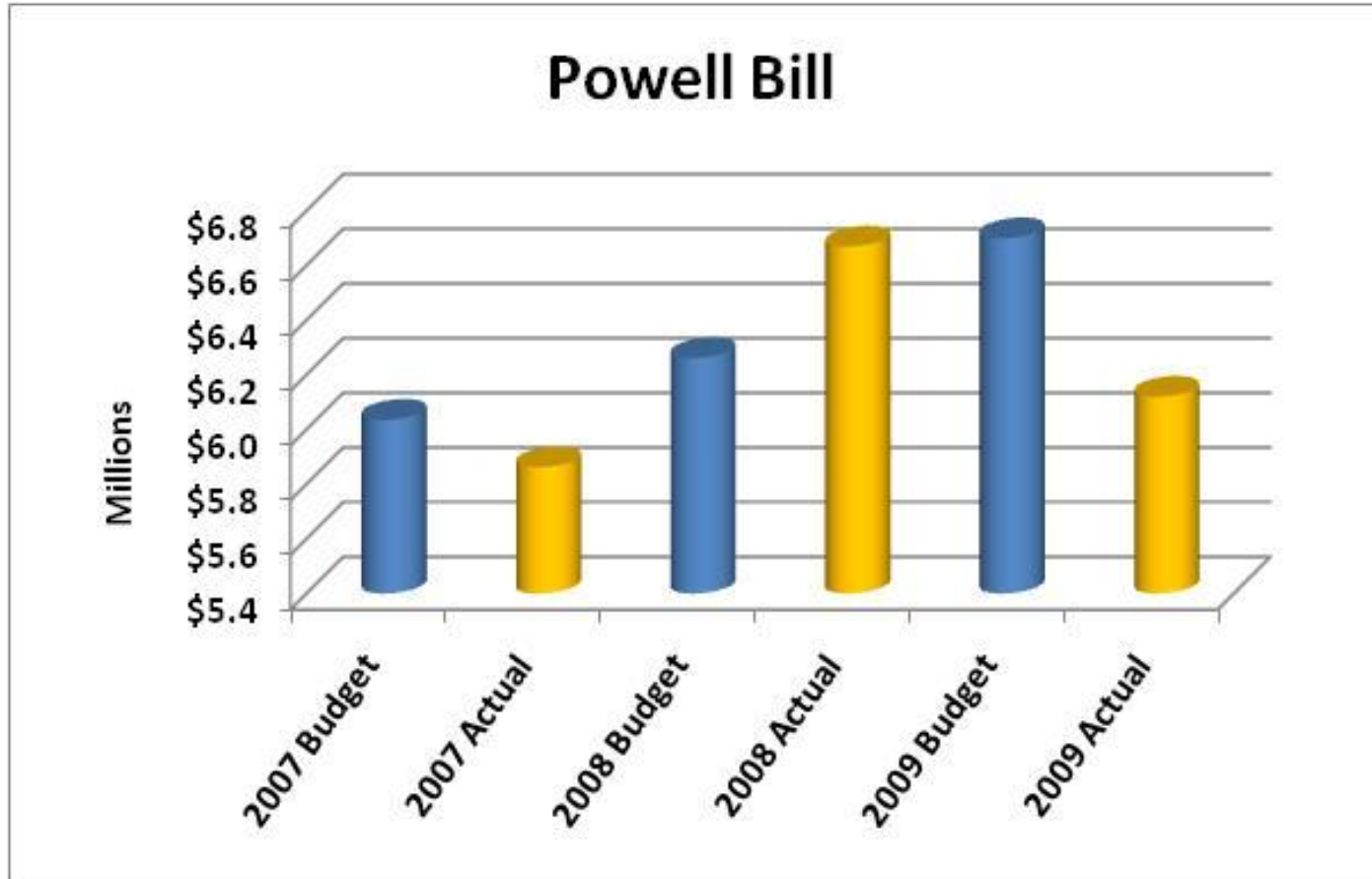
Revenue Summary – Multi-Year



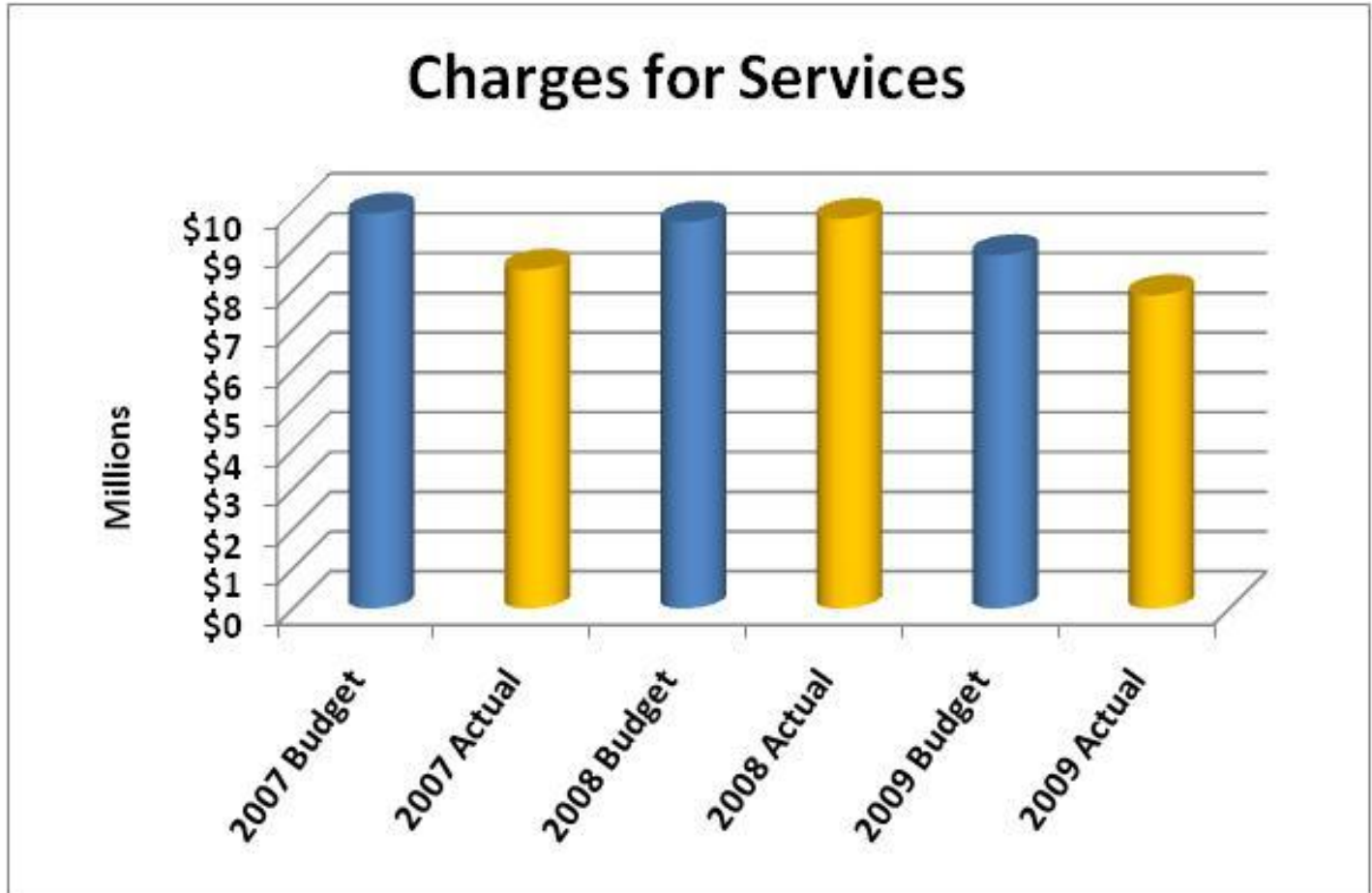
Revenue Summary – Multi-Year



Revenue Summary – Multi-Year



Revenue Summary – Multi-Year



Revenue Summary – Multi-Year





General Fund - Revenues

REVENUES	FY 2009 ADJUSTED BUDGET	ACTIVITY THROUGH JUNE 2009	PROJECTION THROUGH YEAR END	VARIANCE with FINAL BUDGET- POSITIVE (NEGATIVE)
Property taxes	\$ 119,657,927	\$ 119,041,965	\$ 119,041,965	\$ (615,962)
Sales taxes	39,676,426	32,088,912	33,745,159	(5,931,267)
Other local taxes	2,171,541	1,852,903	1,852,903	(318,638)
Licenses	2,900,000	2,868,405	2,868,405	(31,595)
Permits	3,762,776	2,929,218	2,929,218	(833,558)
Intergovernmental revenues	22,678,365	21,864,400	21,864,400	(813,965)
Investment and rental income	2,462,831	1,521,358	1,521,358	(941,473)
Charges for services	7,480,843	7,870,588	7,870,588	389,745
Intragovernmental services	905,000	1,232,831	1,232,831	327,831
Assessments	-	97,483	97,483	97,483
Sale of property and miscellaneous	<u>3,506,500</u>	<u>2,705,616</u>	<u>2,705,616</u>	<u>(800,884)</u>
Total revenues	<u>\$ 205,202,209</u>	<u>\$194,073,679</u>	<u>\$195,729,926</u>	<u>\$ (9,472,283)</u>



General Fund - Revenues

				VARIANCE with
REVENUES	FY 2009 ADJUSTED BUDGET	ACTIVITY THROUGH JUNE 2009	PROJECTION THROUGH YEAR END	FINAL BUDGET- POSITIVE (NEGATIVE)
OTHER FINANCING SOURCES				
Transfer from other funds	6,232,325	1,165,411	1,165,411	(5,066,914)
Premium for debt issuances	-	521,093	521,093	521,093
Private placement loan	-	95,000	95,000	95,000
Transfer from reserves	4,793,885	-	4,793,885	-
Appropriation from fund balance	<u>4,526,520</u>	<u>-</u>	<u>2,389,696</u>	<u>(2,136,824)</u>
Total other financing sources	<u>15,552,730</u>	<u>1,781,504</u>	<u>8,965,085</u>	<u>(6,587,645)</u>
Indirect Cost	-	5,654,315	5,654,315	5,654,315
Total revenues and other financing sources				
	<u>\$ 220,754,939</u>	<u>\$ 201,509,498</u>	<u>\$ 210,349,326</u>	<u>\$ (10,405,613)</u>



General Fund - Expenditures

					VARIANCE with FINAL BUDGET- POSITIVE (NEGATIVE)
	FY 2009 ADJUSTED BUDGET	ACTIVITY THROUGH JUNE 2009	ENCUM- BRANCE BALANCE	PROJECTION THROUGH YEAR END	
DEPARTMENT					
Audit Services	656,441	601,273	7,010	608,283	48,158
Budget & Management Services	773,228	750,959	193	751,152	22,076
City Attorney	1,496,044	1,464,324	1,300	1,465,624	30,420
City Clerk	596,506	591,411	33	591,444	5,062
City Council	536,903	488,883	26,237	515,120	21,783
City Manager	3,203,727	3,144,056	56,987	3,201,043	2,684
City/County Inspections	3,476,175	3,410,273	2,400	3,412,673	63,502
City/County Planning	3,422,577	3,380,711	29,825	3,410,536	12,041
Economic & Employment Development	2,672,994	1,717,260	472,692	2,189,952	483,042
Emergency Communications	4,397,111	4,378,492	14,957	4,393,449	3,662
Emergency Management	198,206	99,829	-	99,829	98,377
Equal Opportunity-Equity Assurance	557,241	525,465	31,714	557,179	62



General Fund - Expenditures

					VARIANCE with
	FY 2009	ACTIVITY	ENCUM-	PROJECTION	FINAL
DEPARTMENT	ADJUSTED	THROUGH	BRANCE	THROUGH	BUDGET-
	BUDGET	JUNE 2009	BALANCE	YEAR END	POSITIVE (NEGATIVE)
Finance	6,646,715	5,693,828	126,927	5,820,755	825,960
Finance - Insurance	4,645,511	4,645,511	-	4,645,511	-
Fire	21,614,174	21,532,706	81,018	21,613,724	450
Fleet Maintenance	3,835,246	3,621,542	29,839	3,651,381	183,865
Housing & Community Development	2,251,779	1,826,736	90,464	1,917,200	334,579
Human Relations	631,909	576,970	48,025	624,995	6,914
Human Resources	1,790,782	1,698,649	17,023	1,715,672	75,110
Parks & Recreation	9,710,863	9,174,922	117,712	9,292,634	418,229
Police	45,918,465	44,480,132	339,295	44,819,427	1,099,038



General Fund - Expenditures

DEPARTMENT	FY 2009 ADJUSTED BUDGET	ACTIVITY THROUGH JUNE 2009	ENCUM- BRANCE BALANCE	PROJECTION THROUGH YEAR END	VARIANCE with FINAL BUDGET- POSITIVE (NEGATIVE)
General Services	12,150,196	11,520,925	343,579	11,864,504	285,692
Public Works	14,609,832	14,476,122	130,635	14,606,757	3,075
Solid Waste Collection	13,425,385	12,859,887	279,526	13,139,413	285,972
Technology Solutions	5,512,641	4,706,610	557,650	5,264,260	248,381
NIS	2,685,127	2,614,729	42,281	2,657,010	28,117
NonDepartmental	10,379,670	4,997,167	255,454	5,252,621	5,127,049
Indirect Cost	-	5,654,315	-	5,654,315	(5,654,315)
Debt Service	23,034,225	22,078,912	-	22,078,912	955,313
Transfer	19,925,266	14,533,951	-	14,533,951	5,391,315
Total	\$ 220,754,939	\$ 207,246,550	\$ 3,102,776	\$ 210,349,326	\$ 10,405,613



General Fund Balance

	Actual	Amended	Projected
	EOY FY08	Budget FY09	FY 09
Total GF Appropriations	\$215,961,054	\$220,754,939	\$210,349,326
Less: Debt Service	(23,023,469)	(23,034,225)	(22,078,912)
Less: Transfers to Other Funds	(22,746,761)	(20,369,856)	(20,345,150)
Less: Approp. Not Authorized	(2,579,186)	(2,738,385)	-
Total Appropriations	\$167,611,638	\$174,612,473	\$167,925,264
Fund Balance*	\$ 18,434,313	\$ 18,434,313	\$ 20,516,766
Fund Balance Percentage	11.0%	10.6%	12.2%

* Finance Department estimate does not reflect audited financial statements.



Enterprise Funds



Water & Sewer Fund

- Operating expenses at 91% of budget - Revenues approximately 13% below budget.
- First two quarters FY09 reflected reduced consumption, especially in higher rate tiers.
- Last quarter FY09 showed significant increase in use from last quarter FY08.
- Revenue bond market being monitored in anticipation of planned FY10 revenue bond issue.



Water & Sewer Fund - Revenues

	Adjusted		Year-End	Year-End
	Budget	Actual	Projection	Positive/ (Negative)
Revenues				
Operating revenues	\$ 71,654,913	\$ 62,976,134	\$ 62,976,134	\$ (8,678,779)
Permits	55,000	44,550	44,550	(10,450)
Total operating revenues	71,709,913	63,020,684	63,020,684	(8,689,229)
 Total nonoperating revenues	 4,283,050	 2,146,489	 4,211,582	 (71,468)
Appropriation from fund balance	1,000,000	-	1,000,000	-
Total revenues	<u>\$ 76,992,963</u>	<u>\$ 65,167,173</u>	<u>\$ 68,232,266</u>	<u>\$ (8,760,697)</u>



Water & Sewer Fund - Expenses

	Adjusted		Year-End	Year-End
	Budget	Actual	Projection	Positive/ (Negative)
Personal services	\$ 19,954,168	\$ 18,761,026	\$ 18,761,026	\$ 1,193,142
Operating expenditures	26,557,389	23,797,546	23,797,546	2,759,843
Capital outlay	151,978	50,889	50,889	101,089
Total Operating Expenditures	46,663,535	42,609,461	42,609,461	4,054,074
Total Debt Service	16,931,842	16,999,655	16,999,655	(67,813)
Operating transfers to other funds	11,035,313	11,035,313	11,035,313	-
Appropriation not authorized for expenditure	2,362,273	-	-	2,362,273
Total expenditures	\$ <u>76,992,963</u>	\$ <u>70,644,429</u>	\$ <u>70,644,429</u>	\$ <u>6,348,534</u>
Revenues less Expenditures			(2,412,163)	



Transit Operations Fund

- Transit Operations Fund within budget due to \$1M in ARRA funding for FY2009.
- Short-term solution to needed long-term growth oriented dedicated revenue source.
- ARRA funding is anticipated in 2010.
- Operating expense controls have been established and are being monitored.
- Transit fund has \$2.5M deficit.



Transit Operations Fund - Revenues

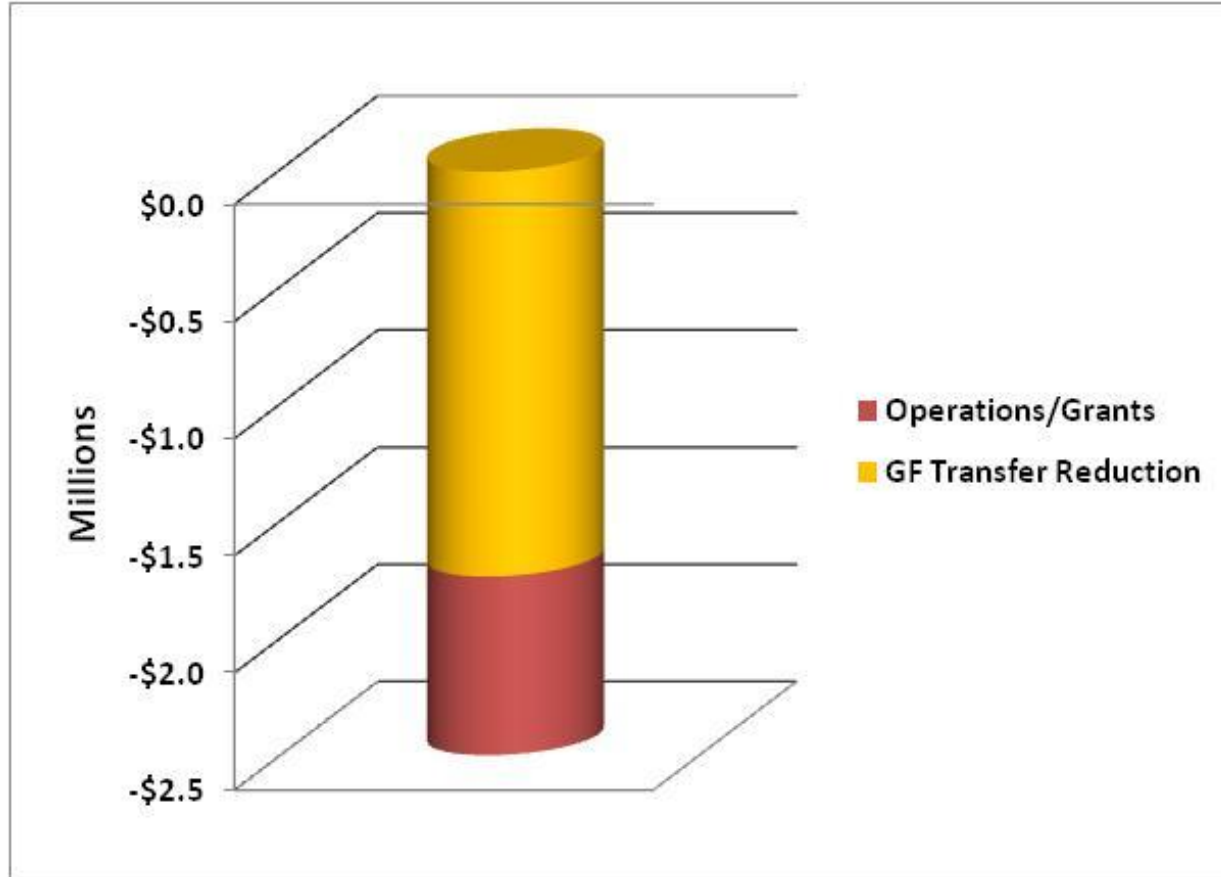
			Year-End	
	Adjusted		Year-End	Positive/
	Budget	Actual	Projection	(Negative)
Revenues				
Operating revenues	\$ <u>2,745,728</u>	\$ <u>2,880,605</u>	\$ <u>2,880,605</u>	\$ <u>134,877</u>
Nonoperating revenues	<u>12,236,089</u>	<u>11,836,609</u>	<u>11,836,609</u>	<u>(399,480)</u>
Appropriation from Fund Balance	<u>600,466</u>	<u>-</u>	<u>-</u>	<u>(600,466)</u>
Total revenues	\$ <u><u>15,582,283</u></u>	\$ <u><u>14,717,214</u></u>	\$ <u><u>14,717,214</u></u>	\$ <u><u>(865,069)</u></u>



Transit Operations Fund – Expenses

	Adjusted		Year-End	Year-End
	Budget	Actual	Projection	Positive/ (Negative)
Operating expenditures	13,843,129	13,075,938	13,075,938	767,191
Capital outlay	6,199	-	-	6,199
Non-departmental administration	216,300	216,300	216,300	-
Debt Service principal and interest	307,839	87,841	87,841	219,998
Operating transfers to other funds	1,208,816	1,208,816	1,208,816	-
Total expenditures	<u>\$ 15,582,283</u>	<u>\$ 14,588,895</u>	<u>\$ 14,588,895</u>	<u>\$ 993,388</u>
Revenues less Expenditures			128,319	

Transit Fund – Negative Fund Balance





Solid Waste Fund

- Revenues significantly less than original budget expectations.
- Revenues reflect repairs that temporarily limited capacity of transfer station earlier in fiscal year.
- Overall, fund will produce a positive result with reduction in expenses offsetting loss in revenue.

Solid Waste Fund - Revenues



	<u>Adjusted Budget</u>	<u>Actual</u>	<u>Year-End Projection</u>	<u>Year-End Positive/ (Negative)</u>
Revenues				
Operating revenues	\$ 7,550,000	\$ 6,765,184	\$ 6,765,184	\$ (784,816)
Investment income	76,956	108,641	108,641	31,685
Miscellaneous	160,000	236,723	236,723	76,723
Transfers from reserves	632,873	-	253,374	(379,499)
Transfers from other funds	<u>3,216,661</u>	<u>3,216,661</u>	<u>3,216,661</u>	<u>-</u>
Total revenues	\$ <u>11,636,490</u>	\$ <u>10,327,209</u>	\$ <u>10,580,583</u>	\$ <u>(1,055,907)</u>



Solid Waste Fund - Expenses

	Adjusted		Year-End	Year-End
	Budget	Actual	Projection	Positive/ (Negative)
Personal services	491,472	510,610	510,610	(19,138)
Operating expenditures	<u>8,123,771</u>	<u>7,096,197</u>	<u>7,096,197</u>	<u>1,027,574</u>
Total Operating Expenditures	<u>8,615,243</u>	<u>7,606,807</u>	<u>7,606,807</u>	<u>1,008,436</u>
Total Debt Service	<u>3,021,247</u>	<u>2,973,776</u>	<u>2,973,776</u>	<u>47,471</u>
Total expenditures	\$ <u>11,636,490</u>	\$ <u>10,580,583</u>	\$ <u>10,580,583</u>	\$ <u>1,055,907</u>
Revenues less Expenditures			-	



Stormwater Fund

- Revenues under budget.
- Expenses under budget.
- Overall, fund operating within budget.



Stormwater Fund - Revenues

	<u>Adjusted Budget</u>	<u>Actual</u>	<u>Year-End Projection</u>	<u>Year-End Positive/ (Negative)</u>
Revenues				
Operating revenues	\$ <u>8,650,000</u>	\$ <u>8,189,287</u>	\$ <u>8,189,287</u>	\$ <u>(460,713)</u>
Total nonoperating revenues	<u>667,133</u>	<u>308,434</u>	<u>308,434</u>	<u>(358,699)</u>
Total revenues	\$ <u><u>9,317,133</u></u>	\$ <u><u>8,497,721</u></u>	\$ <u><u>8,497,721</u></u>	\$ <u><u>(819,412)</u></u>



Stormwater - Expenses

	<u>Adjusted Budget</u>	<u>Actual</u>	<u>Year-End Projection</u>	<u>Year-End Positive/ (Negative)</u>
Expenditures				
Personal services	\$4,959,106	\$ 5,013,352	\$ 5,013,352	\$ (54,246)
Operating expenditures	1,835,633	1,647,716	1,647,716	187,917
Capital outlay	51,860	48,531	48,531	3,329
Non-departmental administration	537,377	537,377	537,377	-
Operating transfers to other funds	1,069,190	1,069,910	1,069,910	(720)
Appropriation to Fund Balance	<u>863,967</u>	<u>-</u>	<u>-</u>	<u>863,967</u>
Total expenditures	<u>\$9,317,133</u>	<u>\$ 8,316,886</u>	<u>\$ 8,316,886</u>	<u>\$ 1,000,247</u>
Revenues less Expenditures			180,835	



Water and Sewer Capital Facility Fee Fund

- Water & Sewer Capital Facility Fee Fund revenues not projected to meet budget. Reduction in current transfers to CIP will offset revenue shortfall.



Parking Fund

- Parking Fund year-end results within budget expectations with slight surplus.



Parking Fund - Revenues

	Adjusted		Year-End	Year-End
	Budget	Actual	Projection	Positive/ (Negative)
Revenues				
Operating revenues	\$ <u>1,314,950</u>	\$ <u>1,395,736</u>	\$ <u>1,395,736</u>	\$ <u>80,786</u>
Total nonoperating revenues	<u>808,982</u>	<u>807,109</u>	<u>807,109</u>	<u>(1,873)</u>
Total revenues	\$ <u><u>2,123,932</u></u>	\$ <u><u>2,202,845</u></u>	\$ <u><u>2,202,845</u></u>	\$ <u><u>78,913</u></u>



Parking Fund - Expenses

	<u>Adjusted Budget</u>	<u>Actual</u>	<u>Year-End Projection</u>	<u>Year-End Positive/ (Negative)</u>
Expenditures				
Personal services	\$ 59,494	\$ 61,844	\$ 61,844	\$ (2,350)
Operating expenditures	1,046,688	1,032,549	1,032,549	14,139
Non-departmental administration	16,750	16,750	16,750	-
Debt Service principal and interest	<u>1,001,000</u>	<u>1,001,000</u>	<u>1,001,000</u>	<u>-</u>
Total expenditures	\$ <u>2,123,932</u>	\$ <u>2,112,143</u>	\$ <u>2,112,143</u>	\$ <u>11,789</u>
Revenues less Expenditures			90,702	



Ballpark Fund

- Ballpark Fund revenues and expenditures within budget expectations and a surplus is expected.



Ballpark Fund - Revenues

	Adjusted		Year-End	Year-End
	Budget	Actual	Projection	Positive/ (Negative)
Revenues				
Operating revenues	\$ <u>631,000</u>	\$ <u>727,233</u>	\$ <u>727,233</u>	\$ <u>96,233</u>
Total nonoperating revenues	<u>1,827,154</u>	<u>1,711,211</u>	<u>1,711,211</u>	<u>(115,943)</u>
Total revenues	\$ <u><u>2,458,154</u></u>	\$ <u><u>2,438,444</u></u>	\$ <u><u>2,438,444</u></u>	\$ <u><u>(19,710)</u></u>



Ballpark Fund - Expenses

	<u>Adjusted Budget</u>	<u>Actual</u>	<u>Year-End Projection</u>	<u>Year-End Positive/ (Negative)</u>
Expenditures				
Personal services	\$ 176,474	\$ 161,671	\$ 161,671	\$ 14,803
Operating expenditures	832,872	647,069	647,069	185,803
Non-departmental administration	97,218	97,218	97,218	-
Debt Service principal and interest	943,640	1,066,001	1,066,001	(122,361)
Operating transfers to other funds	<u>407,950</u>	<u>289,591</u>	<u>289,591</u>	<u>118,359</u>
Total expenditures	<u>\$ 2,458,154</u>	<u>\$ 2,261,550</u>	<u>\$ 2,261,550</u>	<u>\$ 196,604</u>
Revenues less Expenditures			176,894	



Durham Performing Arts Center (DPAC) Fund

- Durham Performing Arts Center (DPAC) Fund currently provides debt service budget for facility.
- Collections are projected to be slightly below budget.



Durham Performing Arts Center - Revenues

	Adjusted		Year-End	Year-End
	Budget	Actual	Projection	Positive/ (Negative)
Revenues				
Total nonoperating revenues	<u>2,397,151</u>	<u>2,143,577</u>	<u>2,149,728</u>	<u>(247,423)</u>
Total revenues	<u>\$ 2,397,151</u>	<u>\$ 2,143,577</u>	<u>\$ 2,149,728</u>	<u>\$ (247,423)</u>



Durham Performing Arts Center - Expenses

	<u>Adjusted Budget</u>	<u>Actual</u>	<u>Year-End Projection</u>	<u>Year-End Positive/ (Negative)</u>
Expenditures				
Operating expenditures	\$ 41,830	\$ 399	\$ 399	\$ 41,431
Debt Service principal and interest	<u>2,355,321</u>	<u>2,385,221</u>	<u>2,385,221</u>	<u>(29,900)</u>
Total expenditures	\$ <u>2,397,151</u>	\$ <u>2,385,620</u>	\$ <u>2,385,620</u>	\$ <u>11,531</u>
Revenues less Expenditures			(235,892)	



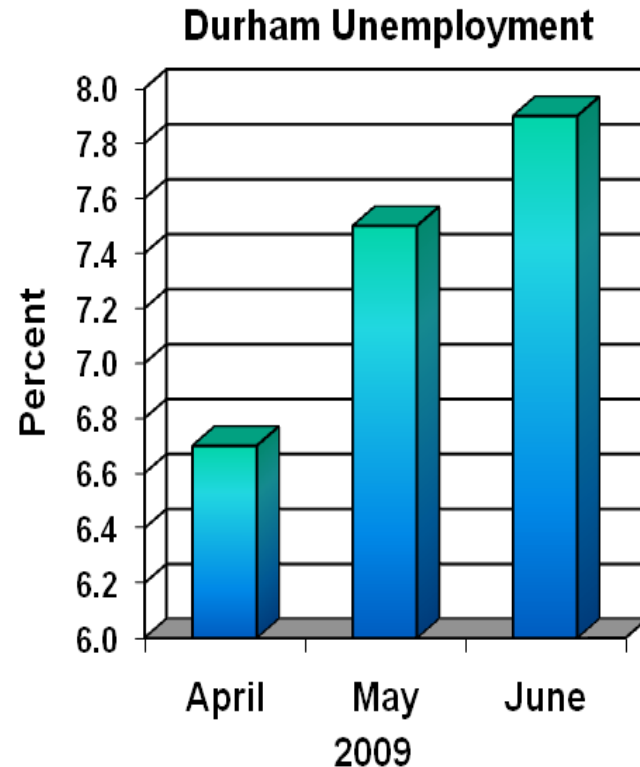
Outlook for FY2010

- Continuing to carefully monitor revenues and expenditures.
- State-shared Beer/Wine tax loss \$670K (2/3rds of budget) to General Fund.
- Potential Property Tax Loss due to Deferred Property Tax Law.
- Unless a significant change, any recommendations to address shortfall will be made at end of 1st Quarter.



Outlook for FY2010

- Durham is feeling full effects of recession.
- Unemployment has risen in recent months.
- Sales tax likely to be depressed through FY 2010-11.





Related Projects

- 5 Year Financial Plan
- Fundable 6 Year CIP
- Strategic Plan